3. In computing the value for ordinary duty and for special duty under Section 6 of the Customs Tariff of goods of a class or kind made or produced in Canada the value of the yen during the twelve months beginning January 1st, 1936, will be at the rate of 39.5 cents; being the average exchange value of the yen, in terms of the Canadian dollar, for the five-year period 1930-34, based on the exchange rates published in the Statistical Year Book of the League of Nations. For the succeeding twelve-month period the yen will be taken at the average exchange value for the five-year period 1931-35, computed on the same basis, and similarly for each succeeding year. It is understood, of course, that if the yen should reach a value in Canadian currency higher than the value set forth or provided for above, such value would thereupon cease to apply and would be replaced by the current exchange value.

4. The values established under authority of Section 43 of the Customs Act will be cancelled on January 1st, 1936, on an extensive list of commodities.

5. Opportunity will be afforded for appeal to the Tariff Board of Canada respecting any value for duty which may in future be established under Section 43 of the Customs Act. In the event of such an appeal the value for duty in force will, upon the expiration of three months after the date of appeal, cease to have any force or effect unless the Tariff Board, following a public inquiry, finds that such value or some lower value is required to prevent the importation of the goods into Canada from prejudiciously or injuriously affecting the interests of Canadian producers or manufacturers. If a lower value is found by the Tariff Board to be appropriate such lower value will promptly be made effective.

The Canadian Government has decided to cancel on January 1st, 1936, the surtax of 33\frac{1}{3} per cent ad valorem levied on goods the produce or manufacture of Japan under the regulations made by Order-in-Council P.C. 2108 of July 22nd, 1935, as modified by Order-in-Council P.C. 2317 of August 3rd, 1935.

Accept, Sir, the renewed assurances of my highest consideration.

AGAMAD ARRAMA JAMANER W. L. MACKENZIE KING

.3881 ,diss redamened Awarro Secretary of State for External Affairs

Siz. I have the honour to inform you that the Canadian Government, in coordance with its general policy respecting trade and tariff matters, has decided ranke the following modifications in its Costoms regulations:—

I. The classification "goods of a class or kind made or produced in Canada." it appears in the Caston's Tariff, will be restricted to goods which are of a class or kind made or produced in Canada in quantities sufficient to supply at the per cent of the normal Canadian consumption. Adequate notice will alive not the transfer for Castoms purposes of a product from the category for of a class or kind nonle or produced in Canada" to the category "of a class or kind made or produced in Canada".



2. In rempeting the value for duty of goods 'roduced in Canada, the value of the yen will be true of the Canadian dollar at the time the goo